



State of Washington TRUST WATER RIGHT REPORT OF EXAMINATION

File NR CG4-GWC7601-A@1
WR DOC ID 4237819

Add Purpose of Use and Point of Withdrawal		Change Place of Use	Change Season of Use
PRIORITY DATE January 2, 1958	TRUST TERM Permanent	WATER RIGHT NUMBER Certificate No. 7601-A	
WATER RIGHT HOLDER: John Goroch PO Box 1157 Omak WA 98841-1157		FILE NUMBER CG4-GWC7601-A@1	

REMARKS: This transfer to instream flows is intended to be used as mitigation for community domestic supply proposed in Application No. G4-35323 submitted by GBI Holding Company. This change authorization represents only a portion of Certificate No. 7601-A. Other portions of the water right have been transferred downstream or are intended to be transferred.

Purpose and Quantity

Instream flows in the Secondary Reach between the original point of withdrawal and the downstream proposed place of use.

Secondary Reach		
	Qa(Acre-feet)	Qi (CFS)
Jan	13.67	0.222
Feb	12.35	0.222
Mar	13.67	0.222
April	13.23	0.222
May	13.67	0.222
June	13.23	0.222
July	13.67	0.222
Aug	13.67	0.222
Sep	13.23	0.222
Oct	13.67	0.222
Nov	13.23	0.222
Dec	13.67	0.222
Total	161.0	

Place of Use (See Map in Attachment 1)

Secondary Reach – Begins at a point approximately located at Okanogan River Mile 24, Section 19, T. 33 N., R. 26 E.W.M (the approximate point where unused groundwater at the original point of withdrawal discharges to the river), extending down the Okanogan River to the Columbia River, and continuing down the Columbia River to a point approximately located at Columbia River Mile 452 within the E½ of Section 9, T. 21 N., R. 22 E.W.M, Water Resource Inventory Area (WRIA) 44. There is no primary reach due to the uncertainty of where the return flows enter the Okanogan River.

Provisions: Trust Water Right

Trust Water Conveyance Requirement

This instream flow right will be conveyed to Ecology in the form of a deed. Once conveyed to Ecology, the right will be permanently managed in the Trust Water Right Program in the quantities and location described herein.

Real Estate Excise Tax

This decision may indicate a Real Estate Excise Tax liability for the seller of water rights. The Department of Revenue has requested notification of potentially taxable water right related actions and, therefore, will be given notice of this decision, including document copies. Please contact the state Department of Revenue to obtain specific requirements for your project.

The mailing address is: Department of Revenue
Real Estate Excise Tax
PO Box 47477
Olympia WA 98504-7477

Phone: (360) 570-3265
Internet: <http://dor.wa.gov/>
E-mail: REETSP@DOR.WA.GOV

Findings of Facts

Upon reviewing the investigator's report, I find all facts relevant and material to the subject application have been thoroughly investigated. Furthermore, I concur with the investigator that there will be no impairment of existing rights and that there will be no detriment to the public interest.

Therefore, I ORDER approval of Change Application No. GC4-GWC7601-A@1, subject to existing rights and the provisions specified above.

YOUR RIGHT TO APPEAL

You have a right to appeal this Order to the Pollution Control Hearings Board (PCHB) within 30 days of the date of receipt of this Order. The appeal process is governed by Chapter 43.21B RCW and Chapter 371-08 WAC. "Date of receipt" is defined in RCW 43.21B.001 (2).

To appeal you must do the following within 30 days of the date of receipt of this Order:

- File your appeal and a copy of this Order with the PCHB (see addresses below). Filing means actual receipt by the PCHB during regular business hours.
- Serve a copy of your appeal and this Order on Ecology in paper form - by mail or in person. (See addresses below.) E-mail is not accepted.

You must also comply with other applicable requirements in Chapter 43.21B RCW and Chapter 371-08 WAC.

ADDRESS AND LOCATION INFORMATION

Street Addresses	Mailing Addresses
Department of Ecology Attn: Appeals Processing Desk 300 Desmond Drive SE Lacey WA 98503 Pollution Control Hearings Board 1111 Israel Road SW, Ste 301 Tumwater WA 98501	Department of Ecology Attn: Appeals Processing Desk PO Box 47608 Olympia WA 98504-7608 Pollution Control Hearings Board PO Box 40903 Olympia WA 98504-0903

For additional information visit the Environmental Hearings Office Website: <http://www.eho.wa.gov>

To find laws and agency rules visit the Washington State Legislature Website: <http://www.leg.wa.gov/CodeReviser>

Signed at Yakima, Washington, this _____ day of _____ 2013.

Mark Kemner, LHG, Section Manager
Water Resources Program/CRO

INVESTIGATOR'S REPORT

BACKGROUND

Mr. John Goroch of Omak Washington, entered into several Purchase and Sale Agreements (PSAs) and submitted applications to change Superseding Ground Water Certificate No. 7601-A. This report specifically addresses Water Right Change Application No. CG4-GWC7601-A@1 requesting to transfer a portion of Certificate No. 7601-A to instream flows in the Okanogan and Columbia Rivers to mitigate for a downstream use. The proposed downstream use of the mitigation is described in Application No G4-35323, submitted by GBI Holdings Company (GBI). GBI is developing a housing complex roughly one mile south of Rock Island Dam on the east bank of the Columbia River. Future use is not considered in this report.

Change Application No. CG4-GWC7601-A@1 was submitted in 2005. Since that time, several amendments were made, which are reflected in Table 1 below. The changes made to the application and events that affected Mr. Goroch's underlying water right are discussed in the *History of Water Use* section below.

Table 1: Attributes of the Existing Water Right and Proposed Change

Attributes	Existing	Proposed
Name	Parm Dickson	John Goroch
Priority Date/ Change Application Date	01/02/1958	06/30/2005
Instantaneous Quantity	1500 gpm	425 gpm
Annual Quantity	564 af/yr	161 af/yr
Purpose of Use	Irrigation of 141 acres	Instream flows, mitigation
Period of Use	May 1 thru October 31	Year-round
Place of Use	NW¼ of Section 11, T. 32 N., R. 26 E.W.M.	Instream from Okanogan River Mile 24 downstream to Columbia River Mile 452, and then to be used for municipal purposes in Section 9, T. 21 N., R. 22 E.W.M.
Point of Withdrawal	NW¼NW¼ of Section 11, T. 32 N., R. 26 E.W.M.	N/A

Legal Requirements for Proposed Change

The following is a list of requirements that must be met prior to authorizing the proposed change to convey the water to trust in the intervening reach.

- **Public Notice**
 - RCW 90.03.280 requires that notice of a water right application be published once a week, for two consecutive weeks, in a newspaper of general circulation in the county or counties where the water is to be stored, diverted and used. Notice of this application was published in the Okanogan Valley Gazette-Tribune and the Douglas County Empire Press on March 15th and 22th, 2012. And in the Daily Leavenworth Echo, Cashmere Valley Record, Lake Chelan Mirror, on March 14th and 21st, 2012.

- **Trust Water Creation Notice**
 - Ecology is required to send notice to interested parties when a trust water right is created under RCW 90.42.040(5). On February 22, 2012, Ecology issued a letter notifying interested parties of the creation of a trust water right for the Goroch Mitigation Project. Two comment letters were received; see the ***Consideration of Protest and Comments*** section below.
- **State Environmental Policy Act (SEPA)**
 - This request to transfer water to instream flows is categorically exempt from SEPA review. However, development at GBI's property is not exempt based on the sand and gravel mining permit required from Ecology's Water Quality Program. According to Water Quality Section Supervisor Charlie McKinney, this authorization may be issued prior to a SEPA determination since it does not limit the choice of reasonable alternatives at the GBI property (WAC 197-11-070).
- **Water Resources Statutes and Case Law**
 - RCW 90.03.380(1) states that a water right that has been put to beneficial use may be changed. The point of diversion, place of use, and purpose of use may be changed if it would not result in harm or injury to other water rights.
 - The Washington Supreme Court has held that Ecology, when processing an application for change to a water right, is required to make a tentative determination of extent and validity of the claim or right. This is necessary to establish whether the claim or right is eligible for change. Based on *R.D. Merrill v. PCHB* and *Okanogan Wilderness League v. Town of Twisp*.
 - RCW 90.14.140(2)(c) states that a water right not used for more than five years is not relinquished if it is claimed for a determined future development to take place within 15 years of the last beneficial use of water under the water right. In order to be valid, a determined future development plan must satisfy a series of tests established in past court cases¹ and summarized here:
 - The project must be sufficiently complex as to require more than five years to complete;
 - The plan must be determined and fixed within five years of the last beneficial use of the water;
 - The party exercising the plan must have equity in the water right;
 - The plan must remain fixed, and;
 - Affirmative steps must be taken to implement the plan within 15 years.
 - RCW 90.42.080(1)(a) provides that the state may acquire all or portions of existing water rights, by purchase, gift, or other appropriate means other than by condemnation, from any person or entity or combination of persons or entities. Once acquired, such rights are trust water rights.
 - RCW 90.42.040(4)(a) provides that exercise of a trust water right may be authorized only if the department first determines that neither water rights existing at the time the trust water right is established, nor the public interest will be impaired.

¹ *R.D. Merrill Company v. Pollution Control Hearings Board; City of Union Gap and Ahtanum Ridge Business Park LLC v. Washington State Department of Ecology; and Protect Our Water v. Islanders for Responsible Water Management (Intervenors), State of Washington, Department of Ecology, and King County Water District No. 19.*

INVESTIGATION

History of Water Use

Certificate No. 7497-A was issued to Parm Dickson on January 18, 1972, for 412 ac-ft/yr for the irrigation of 103 acres. Ecology found this certificate to be in error and issued Superseding Certificate No. 7601-A, on February 16, 1972. The annual quantity and number of acres were changed to 546 ac-ft/yr for the irrigation of 141 acres, everything else remained the same.

The property to which Superseding Certificate No. 7601-A is appurtenant lies within the Colville Indian Reservation boundary. Ecology is required to identify whether the right being proposed for change is a federally reserved right or a state issued right. Any federal water right that may be appurtenant to property must be identified and distinguished from any state-issued water rights. This requirement was established in the Boyd Walton case of the 1980's which states that tribal members have federal water rights on reservation land, but as soon as property is sold to a non-member, they have a reasonable amount of time (in most cases 15 years or less) to establish water use on the property to secure federal water rights.

Mr. Goroch stated that the property was homesteaded by a non-tribal member around 1910. Air photos from 1954 and 1964 showed no irrigated acres or cultivation on this property. A certificate of water right was issued to Parm Dickson on February 16, 1972. Therefore, it is assumed that this property did not retain federal water rights. To verify these findings, a description of this project was sent to the Colville Tribal Council on April 17, 2006, for their review. Ecology received a response from Lois Trevino on August 10, 2006, stating that the property owned by John Goroch has been in fee status (deeded to a non-tribal member).

On April 15, 1977, John Goroch purchased the property. Air photos taken in 1983 show mature, green, orchard rows. On August 7, 2001, Mr. Goroch submitted an Emergency Drought Action application to add a point of withdrawal and transfer a portion of his right to another property he owned along the Okanogan River, roughly 14 miles to the southwest of the original property. Emergency Drought Action applications were created by Ecology to allow temporary changes during a drought year. Mr. Goroch's application was received at the end of the irrigation season, accompanied by a letter stating he wanted a permanent change and would be removing trees from his original property and buying trees for the proposed property to the south. Ecology did not process the application in 2001 as drought relief, but instead accepted it for a permanent change of his water right. John Goroch did not irrigate his property from 2002 to present.

Ecology was not processing water right changes in the Okanogan Basin when Mr. Goroch submitted his 2001 change application. Since Mr. Goroch's property is on the Colville Indian Reservation, he was unable to apply to the Okanogan County Conservancy Board to expedite his change application. On June 30, 2005, Mr. Goroch submitted 5 additional change applications and requested that Ecology transfer portions of his water right to specified downstream locations. The following table lists the applications and their status as of the writing of this report.

Application	Status
CG4-GWC7601-A	Application Active
CG4-GWC7601-A@1	(the subject of this report)
CG4-GWC7601-A@2	Application Cancelled
CG4-GWC7601-A@3	ROE Approved
CG4-GWC7601-A@4	Application Cancelled
CG4-GWC7601-A@5	ROE Cancelled
CG4-GWC7601-A@6	Application Active

In 2005 and 2006, Mr. Goroch entered into multiple PSAs with the previous owner of the GBI property: Morrill Asphalt Paving Company (previously known as Pacific Rim Land, Inc.). The overriding agreement signed on October 18, 2006, stated that the “remaining water rights” estimated at 425 gpm, 161 ac-ft/yr would be transferred to Morrill Asphalt (Application No. CG4-GWC7601-A@1). These PSAs occurred prior to five years of non-use of the water right. John Goroch is relying on these PSAs to serve as evidence for a determined future development plan, which is an exemption to relinquishment under RCW 90.14.140(2)(c).

In January of 2010, the property containing the place of use for Certificate of Ground Water Right No. 7601-A was sold. John Goroch, Chester Goroch, and Janina Goroch issued a statutory warranty deed to the Confederated Tribes of the Colville Reservation for their property. However, they retained Ground Water Certificate No. 7601-A. Any remaining water held under this right will not be used at the original place of use since the Gorochs no longer own the property and they intend to sell the water rights to downstream users. Future superseding documents issued by Ecology will provide a more accurate accounting of the remaining water right.

Site Visit

Ecology permit writer, Phil Kerr, visited Mr. Goroch’s property on November 7, 2005, for a preliminary site visit of the original place of use. Mr. Goroch and Phil Kerr walked the property and identified 122 acres of land that had been irrigated. A second site investigation was conducted on March 17, 2006, by Ecology employees Anna Hoselton, and Phil Kerr, accompanied by Ed Kemp, the applicant’s consultant.

Additional information was compiled from department records and conversations with the applicant and consultant. Air photos were used to identify irrigated acres. The county parcel layer was used to verify land ownership.

Extent and Validity

To quantify the extent of the right, Ecology reviewed power records from 1996 to 2000 showing that Mr. Goroch used at least his full water right of 564 ac-ft/yr during those years. Mr. Goroch then removed his orchard in early spring of 2002 and ceased irrigating up to the present. The last beneficial use of the water right took place in 2001 and five consecutive years of non-use occurred from 2002 to 2006 and no use thereafter.

According to RCW 90.14.180, a water right that has not been beneficially used for a period of five or more years may be subject to relinquishment unless a sufficient cause for non use can be identified. Mr. Goroch and Morrill Asphalt Paving Company provided a *Determined Future Development Plan* (DFD) for supplying water to GBI’s property. Other determined future developments are also asserted for other portions of the Goroch right, the subject of the other change applications filed to transfer this water right. Under RCW 90.14.140(2)(c), a DFD plan is considered an exemption to relinquishment of a water right. Several court cases have clarified the DFD relinquishment exemption (e.g. *R.D. Merrill v. PCHB*, 1999). DFD criteria are described in Ecology’s Policy 1280, summarized below for applicability to the Goroch water right:

- *The DFD must be established by an equity interest holder in the water right and the plan must be fixed within five years of the last date of nonuse of water.*
 - The applicant submitted a water right change on June 30, 2005.

- Morrill Asphalt entered into a PSA in 2005 to purchase a portion of the Goroch water right.
- *The scope of the DFD must require more than five years to complete. And the water right holder must have a firm definitive plan* (the water right holder is connected to the buyer's plan via the PSA).
 - Test wells were drilled and tested based on a preliminary permit issued by Ecology

Annual Consumptive Quantity

Ecology has the authority to consider the request to add instream flows as a purpose of use to a water right under RCW 90.03.380(1), which states that such a change shall not increase the annual consumptive quantity of water used under the water right. Ecology is required to perform an annual consumptive quantity (ACQ) test to determine that the proposed future consumptive use will not exceed the historic use of the water right.

The consumptive quantity is estimated by subtracting all return flows from the total amount of water diverted (not to exceed the water right). This consumptive quantity is determined for the most recent five years of continuous beneficial use that predate any excused nonuse. The average of the greatest two years of use of its five year period equals the *Annual Consumptive Quantity*. In this case, the five year period of continuous use was from 1997 to 2001.

Calculations of annual water use were based on Mr. Goroch's power records from 1997 to 2001. In the two highest years of use, Mr. Goroch exceeded his water right. Since Ecology cannot authorize the transfer of water in excess of the right, the following ACQ calculations are based on the full quantity authorized for Superseding Certificate No. 7601-A; 1500 gpm, and 564 ac-ft/yr. In these years, Mr. Goroch irrigated 122 acres of apple orchards with a cover crop. According to the Washington Irrigation Guide (WIG), this crop requires 2.64 ft/acre of water annually. Mr. Goroch stated that more water was required to keep his trees and cover crop viable due to the "course sandy soils". Solid-Set, overtree sprinklers are estimated to have a 15% evaporation rate (based on Ecology Guidance 1210). The following table provides the calculations for the total consumptive use.

Total Use ÷ No. of Acres = Ac-ft/acre	564 ac-ft/yr ÷ 122 acres	= 4.62 ac-ft/ac
Crop Irrigation Requirement ÷ Total Use = Ea ²	2.64 ft/ac ÷ 4.62 ac-ft/ac	= 0.57 or 57%
Ea + % Evaporation = % Consumptive Use	57% + 15%	= 72%
Total Use per acre × % Consumptive Use = Consumptive Use per acre	4.62 ac-ft/ac × 0.72	= 3.33 ac-ft/ac
Ac-ft/acre × No. of Acres = Total Consumptive Use	3.33 ac-ft/ac × 122 acres	= 406.3 ac-ft/yr

On August 15, 2012, Ecology authorized Change No. CG4-GWC7601-A@3 which transferred 48 ac-ft/yr to instream flows to be used as mitigation. Therefore 358.3 ac-ft/yr are available for transfer, but only according to the Determined Plans discussed in the *History of Water Use* Section above.

² *Application Efficiency (Ea)* is the ratio of the average depth of water infiltrated and stored in the root zone to the average depth of water applied, expressed as a percentage.

The portion of the Goroch right being considered for transfer in this report will be used for instream flows so there will be no consumptive use considered here. Any future use of the instream flow right as mitigation will be limited to the consumptive use being mitigated. That analysis will be described in the report for GBI's Application No. G4-35323.

Hydrologic/Hydrogeologic Evaluation

A *Technical Memorandum* was completed for this project by Ecology technical staff on January 11, 2007, regarding Morrill Asphalt's request to directly transfer a portion of the Goroch water right to the GBI property. The application was later amended to request that the Goroch right be transferred to instream flows and be used for mitigation of downstream uses. The Technical Memorandum also characterizes how the Goroch's historic water use affected the Okanogan River.

The *Well Pumping Depletion Model* was used to approximate depletion from the Okanogan River due to pumping at the Goroch's well, which is approximately 4,080 feet to the east. The results of the model indicate that the effects of pumping extend beyond the irrigation season and into the following water year. Modeling the 33 years of water use under Certificate No. 7601-A indicates that the longer pumping occurred, the depletion effects on the river begin to approach a baseline throughout the year. The full memorandum is available upon request.

Trust Water Calculations

RCW 90.42.080(1)(a) provides that the State may acquire water rights and when acquired, such rights are trust water rights. The applicant proposes to supply Ecology with a deed for the water right to be held as mitigation in exchange for Ecology managing water right in trust.

Ecology typically manages its trust water rights by defining a primary and a secondary reach. The primary reach is the length of the river that benefits from both the former consumptive use and former return flow waters of a water right. The secondary reach is the length of river that benefits only from the former consumptive use portion of a water right. In this case, there is no primary reach since the water right proposed for trust is for ground water that discharges to the Okanogan River. It is difficult to identify a point on the Okanogan River where return flows and unpumped ground water would return to the river. According to Ecology's technical memorandum, uncaptured ground water from the original well may fully discharge to the Okanogan River by River Mile 24 based on the confining bedrock morphology. Therefore, the secondary reach for the proposed trust water right is estimated to begin at Okanogan River Mile 24 and extend down the Okanogan and Columbia Rivers to Columbia River Mile 452, adjacent to GBI's property (see the map in Attachment 1).

Water available for trust in the secondary reach is quantified based on the historic effect of pumping on the Okanogan River. Because of the distance from the Gorocho well to the river, the historic effect on the river can be approximated as an average rate throughout the year. A total of 161 ac-ft/yr is proposed to be transferred to instream flows. Ecology identifies the quantity held in stream by a constant instantaneous quantity and monthly acre-foot volume ($161 \text{ ac-ft/year} \div 1.98^3 \div 365 \text{ days/year} = 0.222 \text{ cfs}$).

	Secondary Reach	
	Qa (Acre-feet)	Qi (CFS)
Jan	13.67	0.222
Feb	12.35	0.222
Mar	13.67	0.222
April	13.23	0.222
May	13.67	0.222
June	13.23	0.222
July	13.67	0.222
Aug	13.67	0.222
Sep	13.23	0.222
Oct	13.67	0.222
Nov	13.23	0.222
Dec	13.67	0.222
Total	161.0	

Impairment Considerations

When considering the potential for impairment from the proposed change, Ecology considered intervening water users between the historic points of withdrawal to the end of the secondary reach. Changing a portion of the water right to instream flows will not reduce the availability of water to intervening water users. Ecology will manage the portion required to mitigate any future uses and any remainder will stay instream. Any potential impairment associated with water use at the GBI property will be discussed in the report authorizing the new use.

Public Interest Considerations

Ecology is required to consider whether the public interest would be adversely impacted by this transfer, according to RCW 90.42.040(4)(a). This application provides for an increase in instream flows in the Okanogan and Columbia Rivers and is therefore, not a detriment to the public interest.

Consideration of Protests and Comments

On February 22, 2012, Ecology notified interested parties of the creation of a trust water right for the Gorocho Mitigation Project. Okanogan County Planning and the chairman of the Okanogan Conservation District Board of Supervisors and Okanogan Watershed Planning Unit submitted letters of concern. Both letters did not identify a specific issue with creation of a new trust water right, or issuance of a new ground water right to be mitigated by a trust water right, but stated that “the water for mitigation is proposed to be taken from an existing water right currently used for agricultural purposes...and this irrigation water is leaving the County.”

³ 1 cubic foot per second(cfs) of water is equal to 1.98 ac-ft/day.

Response

The purpose and place of use may be changed for a valid water right (RCW 90.03.380(1)). The validity of Certificate No. 7601-A is based on agreements to sell portions of the water right to downstream users in 2005 (see Extent and Validity section above). These downstream users all have detailed plans for their intentions with the purchased water. Whether these sales go through or not, the future use of this water right for irrigation at the existing place of use is no longer valid. John Goroch cites these agreements as his determined future development plan, which exempts his water right from relinquishment under RCW 90.14.140(2)(c).

The Legislature commissioned a report on this subject of moving water out of counties or watersheds in 2008 titled "Protecting Local Economies – Legislative Options to Protect Rural Communities in NE Washington from Disproportionate Economic, Agricultural, and Environmental Impacts when Upstream Water Rights are Purchased and Transferred for Use, or Idled and Used as Mitigation, in a Downstream Watershed or County". While Ecology agrees there are valid policy considerations regarding exporting water out of the area of origin, nothing in state law prevents the applicant from transferring this water right provided there is no impairment of existing rights.

CONCLUSIONS

In accordance with chapters 90.44 and 90.42 RCW, the author makes a determination that Certificate of Water Right No. 7601-A is a valid right and, as such, is eligible for change. Approval of Change Application No. CG4-GWC7601-A@1, as provisioned above, will not cause impairment of existing water rights and will not be detrimental to the public interest.

RECOMMENDATIONS

Based on the above investigation and conclusions, I recommend the request for change to Superseding Certificate No. 7601-A be approved, subject to the provisions and within the limitations on page 1 and 2 of this report.

Purpose of Use and Authorized Quantities

The following quantities are to be used instream and may be used as mitigation for downstream uses:

0.222 cfs, 161 ac-ft/yr for instream flows.

Place of Use (Secondary Reach)

Begins at a point approximately located at Okanogan River Mile 24, Section 19, T. 33 N., R. 26 E.W.M (the approximate point where unused groundwater at the original point of withdrawal returns to the river), extending down the Okanogan River to the Columbia River, and continuing down the Columbia River to a point approximately located at Columbia River Mile 452.

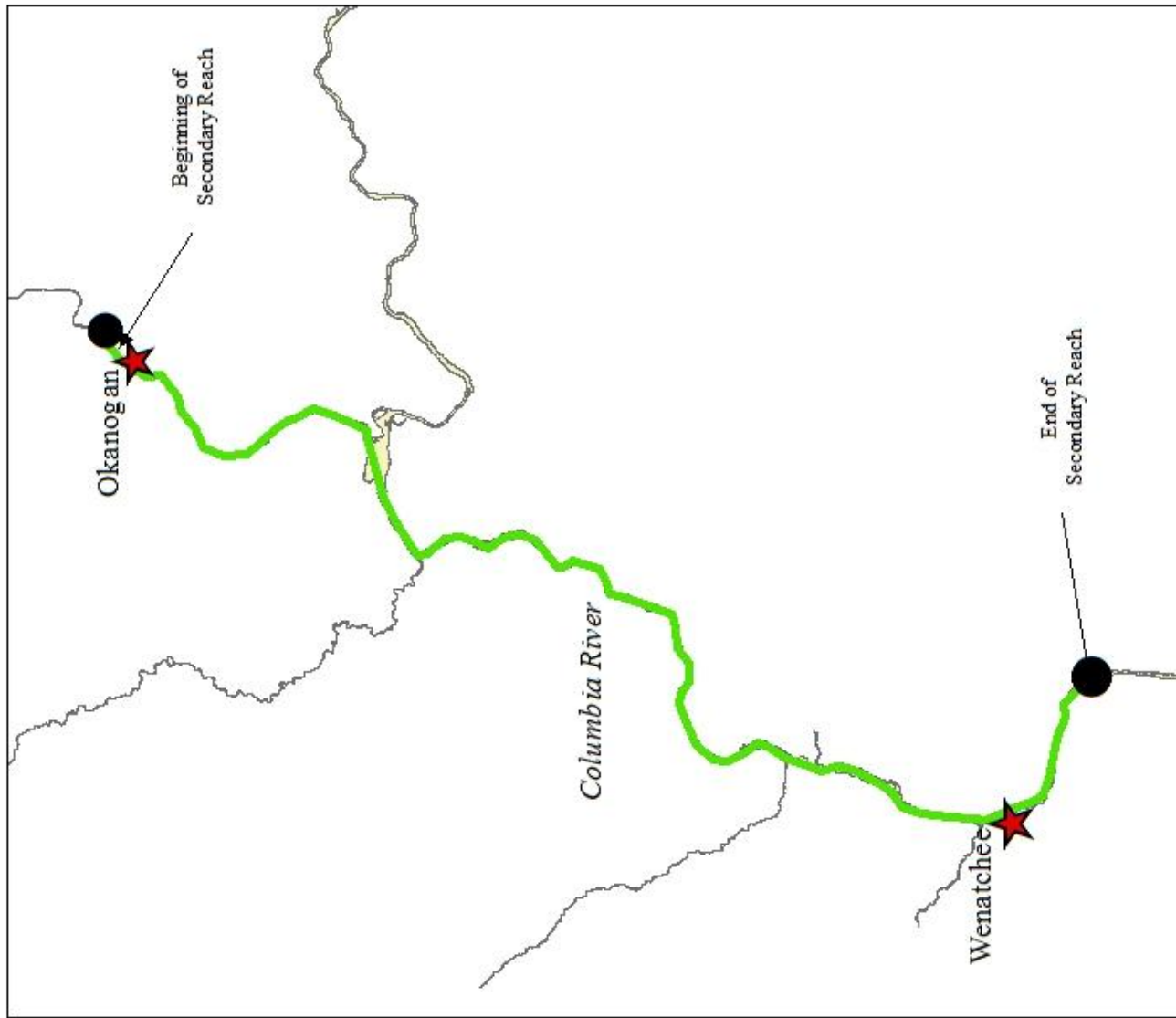
ATTACHMENT 1

Goroch
G4-GWC7601-A@1
Okanogan and Columbia Rivers



Legend

- Authorized Secondary Reach
- End Points of Secondary Reach
- ★ City



Comment:

Place of use and source locations are as defined within the Report of Examination cover sheet for the document identified in the header above.



Map Date: 3/18/2013

